

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6 1445 ROSS AVENUE, SUITE 1200 DALLAS, TX 75202-2733

October 26, 2004

CERTIFIED MAIL RECEIPT # 7001 0360 0003 6675 8116

James C. Morriss III Thompson & Knight LLP 1900 San Jacinto Center 98 San Jacinto Boulevard Austin, TX 78701-4081

RE: Gulfco Marine Maintenance Superfund Site in Freeport, Texas

Dear Mr. Morriss:

Thank you for your October 14, 2004, letter regarding the Gulfco Marine Maintenance Superfund Site ("Gulfco Site"). The U.S. Environmental Protection Agency (EPA) shares your enthusiasm for redevelopment of Superfund sites and believes that the Gulfco Site would be an excellent redevelopment candidate. To achieve this aim, EPA believes a Remedial Investigation and Feasibility Study (RI/FS) needs to be conducted in order to facilitate redevelopment.

I appreciate the fact that you and other Potentially Responsible Parties (PRP) have discussed forming a PRP group with the intent of conducting an RI/FS. However, as our legal counsel discussed with you, in order to extend the moratorium andbegin negotiations, EPA must receive, at a minimum, a statement in writing from a PRP, or a PRP group if one is formed, that the PRP or the PRP group will conduct an RI/FS that is consistent with the EPA Statement of Work. To date, none of the PRPs at the Gulfco site has provided such a statement. Therefore, EPA is now considering other options available to conduct an RI/FS.

The EPA believes it is advantageous for a PRP, or a PRP group if one is formed, to perform the RI/FS. For example, if the PRP (or a PRP group) conducts the RI/FS, it would be in the best position to determine the ultimate reuse of the site. However, because the Gulfco site presents a risk to public health and the environment, EPA cannot delay cleanup activities at the site.

It is our standard procedure for the EPA's Site Team to meet with PRPs until such time as a good faith offer is submitted. However, after the PRP or a PRP group has developed plans to

clean up and redevelop the site, I would be happy to discuss the site with you. In the interim, if you have additional questions, please contact the Site Attorney, Ms. Barbara Nann, at (214) 665-2157.

Thank you again for your letter. I hope this information is helpful to you.

Sincerely yours,

Samuel Coleman, P.E.

Director

Superfund Division